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## India

### Agricultural Situation

#### Weekly Highlights and Hot Bites, #29

2006

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**Report Highlights:**

\*More imported wheat arrives\*, \*MMTC floats another wheat tender\*, \*Nath: Trade talks tripped over access to developing markets\*, \*Pulse imports higher\*, \*Soft drinks and pesticides\*, \*Some states ban coke and peps\*, \*GOI standards for soft drinks\*, \*Decision on ethanol pricing by end-August\*.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
New Delhi [IN1]  
[IN]

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. government agency's point of view or official policy.

### **MORE IMPORTED WHEAT ARRIVES**

765,000 tons of imported wheat, out of the contracted 3.0 million tons, are scheduled to reach Indian ports by end-August. With the arrival of 159,000 tons of wheat expected by August 12, 2006, cumulative arrivals of imported wheat by the end of the current week will be 437,000 tons. It has been reported that private traders contracted for imports of 1.5 million tons of wheat, to be delivered shortly at Mumbai and Chennai ports. (Source: Press Release, Ministry of Consumer Affairs, Food & Public Distribution, 08/08/06)

### **MMTC FLOATS ANOTHER WHEAT TENDER**

The Minerals and Metals Trading Corporation of India Ltd. (MMTC), a public sector trading company, issued a tender on August 8, 2006, for up to 120,000 tons of wheat for shipment through October. The last date for submitting bids is August 17, 2006, and the bids should remain valid until August 28, 2006. (Source: Business Standard, 08/09/06)

*Post Comment:* The tender document is available at [www.mmtclimited.com/tender/uploadeddocs/20060808105455WHT.pdf](http://www.mmtclimited.com/tender/uploadeddocs/20060808105455WHT.pdf). Earlier, MMTC bought 50,000 tons of Ukrainian wheat at \$179 per ton (C&F) through a public tender issued on July 5, 2006.

### **NATH: TRADE TALKS TRIPPED OVER ACCESS TO DEVELOPING MARKETS**

Kamal Nath, the Indian Minister of Commerce and Industry, said that the suspension of trade negotiations under the Doha Round was due to developed countries' insistence on extracting agricultural and manufactured products market access from developing countries, in return for cuts in trade distorting domestic support. Speaking at a meeting organized jointly by the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Indian Council for Research on International Economic Relations (ICRIER), he said such a position was untenable because no such quid pro quo was envisaged in the negotiating mandate, which was reached by consensus through the Doha Declaration, the July 2004 Framework Agreement, and the Hong Kong Ministerial Declaration. "I am looking forward to leadership from developed countries, and I plead with them to return to negotiating table with something in their pockets, and recognize that this round cannot impinge on livelihood security of farmers in India and the developing countries," he said. (Source: Business Line, 08/09/06)

### **PULSE IMPORTS HIGHER**

About 893,000 tons of pulses were imported by the private trade from April 1 to mid-July 2006, according to official estimates. These include 430,000 tons of yellow peas, 190,000 tons of *urad* (black matpe), and 90,000 tons of *mung* beans. After the government's abolition of import duty on pulses, 710,000 tons were contracted for imports, which includes 330,000 tons of yellow peas and 140,000 tons of pigeon peas. The National Agricultural Marketing Federation (NAFED), a government entity, is importing an additional 2,000 tons of

*urad* and 2,300 tons of *mung*. This is on top of the 30,000 tons of pulses already imported by NAFED, which consisted of 25,000 tons of *urad* and 5,000 tons of *mung*. (Source: Business Standard, 08/05/06)

### SOFT DRINKS AND PESTICIDES

A press release issued by the Center for Science and Environment (CSE), a non-governmental organization, claims that three years after the release of its findings on pesticide residues in soft drinks in India, a new nationwide study shows soft drinks continue to remain "unsafe and unhealthy." The current CSE study claims to have tested 57 samples of 11 soft drink brands, from 25 different manufacturing plants of Coca Cola and PepsiCo spread over 12 states, and found pesticide residues in all samples. It says it found a "cocktail" of three to six different pesticides in all samples, which is on an average 24 times higher than the yet to be notified Bureau of Indian Standards (BIS) norms. (Source: CSE Press Release, 08/02/06)

*Post Comment:* The full text of the press release is available at [www.cseindia.org/misc/cola-indepth/cola2006/cola\\_press2006.htm](http://www.cseindia.org/misc/cola-indepth/cola2006/cola_press2006.htm)

### SOME STATES BAN COKE AND PEPSI

The state government of Kerala imposed a complete ban on the production and sale of Coke and Pepsi soft drinks in the state. The bottling plants of these companies located in the state will also be closed down. The state governments of Gujarat, Madhya Pradesh, Rajasthan, and Chattisgarh have banned sale of Coke and Pepsi in their educational institutions, government offices, and canteens. The state government of Karnataka has banned the sale of eleven soft drinks manufactured by Pepsi and Coke from within 100 meters of all educational institutions and hospitals in the state. (Source: Hindustan Times, 08/10/06)

### GOI STANDARDS FOR SOFT DRINKS

In July 2004, the Bureau of Indian Standards (BIS), the Indian government standards authority, issued a draft standard (IS 2346) for soft drinks, which has been under discussion since then, but which has not been notified in India's Official Gazette. The draft standard covers all carbonated drinks. The standard will be adopted by the BIS only after it is finalized by the Drinks and Carbonated Beverages Sectional Committee, and is approved by the Food and Agriculture Division of the BIS. (Source: Economic Times, 08/11/06)

### DECISION ON ETHANOL PRICING BY END-AUGUST

The government is set to make a decision on the price of ethanol (for blending with gasoline) by end-August, even as the differences on pricing among buyers and sellers remain. According to industry sources, joint meetings have been scheduled between the Ministry of Petroleum and Natural Gas, the Ministry of Agriculture, public sector gasoline companies, and the Association of Sugar Manufacturers to discuss this issue. October 1, 2006, is the deadline for implementing the "5 percent blended petrol" in ten states and four Union Territories, for which oil companies will require 377,000 kiloliters of ethanol. (Source: Business Line, 08/06/06)

### RECENT REPORTS SUBMITTED BY FAS/NEW DELHI

REPORT #	SUBJECT	DATE SUBMITTED
IN6067	Weekly Highlights & Hot Bites #28	08/04/06
IN6068	Tree Nuts: Voluntary	08/07/06

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